

To: Klein, John F., Dibenedetto, Charles A., Waechter, Liane, Agner, Edward, Roth, Karl L., Alese, Louann F.,
Feltman, John P., Figueroa, David A., 1310 - Philadelphia ROU (METZG), 1210 - New York ROU (ALVICH)
From: Kuruc, Nick
Edited: 12/19/96 12:19
Subject: Pathmark Stores Inc. (0522-00-00)

RE: Contract Implementation- January 1997

We will be signing a Retail Partners Contract with Pathmark effective January 1997. Listed below are full details:

- [] The contract will be a "Meeting Competition" Plan A, \$75 base payment with a \$50 Enhancement for a total monthly payment of \$ 125 per store.
- [] PM Carton Merchandisers: RJR will have 25% of the total rows and be positioned under PM in the secondary Position.
- [] PM Package Merchandisers: RJR will have 25% of the total facings and be positioned under PM in the secondary position.
- [] Temporary Floor Displays (Pathmark 2000 store setups): Temporary floor displays have been authorized, quarterly, for placement in a minimum of 50 stores. A distribution of promoted product will be sent to stores prior to the display period.
- [] I would like to implement and complete the changeover of all merchandisers during January. Your Retail Reps will be provided with complete planograms for both carton and package merchandisers, and Pathmark Item order tags. Our responsibility with regard to the changeover is to place item order tags, RJR carton end labels, and place our Brands in the proper space. Lorillard, and BAT will handle their space accordingly.
- [] A distribution of RJR assorted product to fill the additional space will be sent to stores one week prior to our planogram changeover.

IMPORTANT: Based on the number of Pathmark Stores in your respective Divisions. Please send me a tentative changeover schedule keeping in mind the following:

- [] Number of Pathmark Stores of your responsibility that currently have PM Carton and Package Merchandisers. These are the only stores to be changed.
- [] Handle as early as possible in January with project completion by month end.
- [] Provide a firm schedule listing store number, address, and expected day to handle the change. The complete change should take approximately 4 hours per store.

It's extremely important that you communicate any questions to me as soon as possible, via voice mail (43778).

Once I receive your schedule, I will handle with Pathmark. They will in turn, handle with Lorillard and BAT.

Please provide complete schedules by December 27 via E Mail.

Bottom line, upon completion of the planogram changeover, RJR will have gained over 2,400 carton rows, and 600 pack facings, and improved our product position in 120 Pathmark Stores.

Proper initial implementation, and ongoing regular contact with Pathmark will have tremendous potential to increase our volume and share through 1997 and beyond.

Thanks for your valued assistance!

CC: Mitchell, Greg, Van Sickle, R, James, Douglas, Richards, M, Gambardella, Mark R., Dejong, Fred,
Teeter, Gregory, 1200 - New York Region (SCULLYA), 1300 - Philadelphia Region (SWEETD),
1700 - Pittsburgh Region, 1710 - Pittsburgh ROU, Young, Mark

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